

Testimony of Samuel Ross, MD - Executive Vice President, Bon Secours Health System

House Democratic Conference Hearing on “Impacts of the Republican ACA Repeal Bill”

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Good morning. I am the CEO of Baltimore Bon Secours Health System, a 72-bed acute care hospital in West Baltimore, and Executive Vice President at Bon Secours Health System, Inc., which owns the Baltimore Health System along with health care facilities in Kentucky, New York, South Carolina, Virginia and Florida. I serve as the Market Leader for Bon Secours Kentucky, which includes Our Lady of Bellefontaine Hospital in Ashland, Kentucky. I also sit on the board of America’s Essential Hospitals.

Bon Secours Baltimore serves a unique safety net role in our community. On average, 50 percent of our patients are covered by Medicaid. The American Health Care Act, being debated in the House would be devastating for our hospital and patients. I’d like to focus particularly on the impact of the bill on Medicaid patients.

First, the bill would eliminate enhanced federal matching for the Medicaid expansion. The expansion has been critical, covering nearly 250 thousand people in Maryland and nearly 450 thousand in Kentucky. While the bill would allow states to continue to cover this population in the future, they would have to do so at the standard matching rate – an enormous cost shift to the states. I doubt that Maryland or Kentucky would be able to continue with the coverage expansion without some negative consequences in the states. Ultimately, I expect most of those currently covered by the expansion to become uninsured again – a major step back for low-income and vulnerable people and around the country.

Second, the bill would establish per capita caps for all Medicaid beneficiaries. The combined impact of these two changes would cut Medicaid by nearly \$900 billion over ten years – an unprecedented, unsustainable, and unconscionable cut. Given these long-term cuts, states will have very limited ability to maintain their Medicaid programs. States would have basically three options in dealing with these long-term cuts:

1. States could cut provider payment rates. Medicaid payments are already below the cost of care in most cases. In Kentucky, the Medicaid program pays providers only 80 percent of the cost of treating patients. Such cuts will only lead to further gaps in access for patients.

2. States could cut benefits. Like most states, Maryland and Kentucky currently cover several optional benefits that are critical to patients – benefits including dental care, optometry, hospice, mental health and substance abuse treatment, among others.
3. Finally, states could cut people off the Medicaid rolls. I believe all three would be necessary in the long run to balance state budgets.

Maryland operates a unique all-payer system so changes in federal policy affect us differently than other states. Nevertheless, the unprecedented cuts to Medicaid through the rollback of enhanced federal matching for Medicaid expansion and the long-term cuts under per capita caps will have an overwhelming impact on Maryland's finances and its Medicaid program. In Kentucky, a poorer state than Maryland, and one that saw a larger expansion, the cuts would likely be even more devastating.

I am happy to note that the bill would restore Medicaid Disproportionate Share Hospital payments starting in 2020. These payments are currently scheduled to be cut substantially. While that additional support is important, it would be swamped by the substantially increased uncompensated care faced by hospitals like mine.

In short, the AHCA guts Medicaid as we know it. The cuts are unparalleled and would have disastrous impacts on our hospitals and patients. It is for those reasons that I am urging Congressional leaders to withdraw this bill and work with stakeholders to craft new legislation that meets the needs of all people in our country.